



Senate

General Assembly

File No. 486

February Session, 2018

Substitute Senate Bill No. 499

Senate, April 12, 2018

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist. and SEN. MCLACHLAN, M. of the 24th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CONTRIBUTIONS UNDER CAMPAIGN FINANCE LAWS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 9-608 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *January 1, 2019, and applicable to primaries and elections held after said*
4 *date*):

5 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
6 section shall include, but not be limited to: (A) An itemized accounting
7 of each contribution, if any, including the full name and complete
8 address of each contributor and the amount of the contribution; (B) an
9 itemized accounting of each expenditure, if any, including the full
10 name and complete address of each payee, including secondary payees
11 whenever the primary or principal payee is known to include charges
12 which the primary payee has already paid or will pay directly to

13 another person, vendor or entity, the amount and the purpose of the
14 expenditure, the candidate supported or opposed by the expenditure,
15 whether the expenditure is made independently of the candidate
16 supported or is an in-kind contribution to the candidate, and a
17 statement of the balance on hand or deficit, as the case may be; (C) an
18 itemized accounting of each expense incurred but not paid, provided if
19 the expense is incurred by use of a credit card, the accounting shall
20 include secondary payees, and the amount owed to each such payee;
21 (D) the name and address of any person who is the guarantor of a loan
22 to, or the cosigner of a note with, the candidate on whose behalf the
23 committee was formed, or the treasurer in the case of a party
24 committee or a political committee or who has advanced a security
25 deposit to a telephone company, as defined in section 16-1, for
26 telecommunications service for a committee; (E) for each business
27 entity or person purchasing advertising space in a program for a fund-
28 raising affair or on signs at a fund-raising affair, the name and address
29 of the business entity or the name and address of the person, and the
30 amount and aggregate amounts of such purchases; (F) for each
31 individual who contributes in excess of one hundred dollars but not
32 more than one thousand dollars, in the aggregate, to the extent known,
33 the principal occupation of such individual and the name of the
34 individual's employer, if any; (G) for each individual who contributes
35 in excess of one thousand dollars in the aggregate, the principal
36 occupation of such individual and the name of the individual's
37 employer, if any; (H) for each itemized contribution made by a
38 lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist
39 who resides in the lobbyist's household, a statement to that effect; and
40 (I) for each individual who contributes in excess of four hundred
41 dollars in the aggregate to or for the benefit of any candidate's
42 campaign for nomination at a primary or election to the office of chief
43 executive officer or a slate or town committee financing the
44 nomination or election or a candidate for chief executive officer of a
45 town, city or borough, a statement indicating whether the individual
46 or a business with which he is associated has a contract with said
47 municipality that is valued at more than five thousand dollars. Each

48 treasurer shall include in such statement (i) an itemized accounting of
49 the receipts and expenditures relative to any testimonial affair held
50 under the provisions of section 9-609 or any other fund-raising affair,
51 which is referred to in subsection (b) of section 9-601a, and (ii) the date,
52 location and a description of the affair, except that a treasurer shall not
53 be required to include the name of any individual who has purchased
54 items at a fund-raising affair or food at a town fair, county fair or
55 similar mass gathering, if the cumulative value of items purchased by
56 such individual does not exceed one hundred dollars, or the name of
57 any individual who has donated food or beverages for a meeting. A
58 treasurer shall not be required to report or retain any receipts or
59 expenditures related to any de minimis donations described in
60 subdivision (17) of subsection (b) of section 9-601a.

61 (2) Each contributor described in subparagraph (F), (G), (H) or (I) of
62 subdivision (1) of this subsection shall, at the time the contributor
63 makes such a contribution, provide the information that the treasurer
64 is required to include under said subparagraph in the statement filed
65 under subsection (a), (e) or (f) of this section. Notwithstanding any
66 provision of subdivision (2) of section 9-7b, neither any contributor
67 described in subparagraph (F) of subdivision (1) of this subsection who
68 does not provide such information at the time the contributor makes
69 such a contribution [and] nor any treasurer shall [not] be subject to the
70 provisions of subdivision (2) of section 9-7b. If a treasurer receives a
71 contribution from an individual which separately, or in the aggregate,
72 is in excess of one thousand dollars and the contributor has not
73 provided the information required by said subparagraph (G), or if a
74 treasurer receives a contribution from an individual to or for the
75 benefit of any candidate's campaign for nomination at a primary or
76 election to the office of chief executive officer of a town, city or
77 borough [,] which separately, or in the aggregate, is in excess of four
78 hundred dollars and the contributor has not provided the information
79 required by said subparagraph (I), the treasurer: (i) Not later than three
80 business days after receiving the contribution, shall send a request for
81 such information to the contributor by certified mail, return receipt
82 requested; (ii) shall not deposit the contribution until the treasurer

83 obtains such information from the contributor, notwithstanding the
84 provisions of section 9-606; and (iii) shall return the contribution to the
85 contributor if the contributor does not provide the required
86 information [not later than] within fourteen days after the treasurer's
87 written request or at the end of the reporting period in which the
88 contribution was received, whichever is later. Any failure of a
89 contributor to provide the information [which] that the treasurer is
90 required to include under said subparagraph (F) or (H) [, which] and
91 that results in noncompliance by the treasurer with the provisions of
92 said subparagraph (F) or (H) [,] shall be a complete defense to any
93 action against the treasurer for failure to disclose such information.

94 (3) In addition to the requirements of subdivision (2) of this
95 subsection, each contributor who makes a contribution to a candidate
96 or exploratory committee for Governor, Lieutenant Governor,
97 Secretary of the State, State Treasurer, State Comptroller, Attorney
98 General, [State Comptroller, Secretary of the State, State Treasurer,]
99 state senator or state representative, any political committee
100 authorized to make contributions to such candidates or committees,
101 and any party committee [that separately, or in the aggregate, exceeds
102 fifty dollars] shall provide with the contribution: (A) The name of the
103 contributor's employer, if any; (B) the contributor's status as a
104 communicator lobbyist, as defined in section 1-91, a member of the
105 immediate family of a communicator lobbyist, a state contractor, a
106 prospective state contractor or a principal of a state contractor or
107 prospective state contractor, as defined in section 9-612; and (C) a
108 certification that the contributor is not prohibited from making a
109 contribution to such candidate or committee. The State Elections
110 Enforcement Commission shall prepare a sample form for such
111 certification by the contributor and shall make it available to treasurers
112 and contributors. Such sample form shall include an explanation of the
113 terms "communicator lobbyist", "principal of a state contractor or
114 prospective state contractor", "immediate family", "state contractor"
115 and "prospective state contractor". The information on such sample
116 form shall be included in any written solicitation conducted by any
117 such committee. If a treasurer receives such a contribution and the

118 contributor has not provided such certification, the treasurer shall: (i)
119 Not later than three business days after receiving the contribution,
120 send a request for the certification to the contributor by certified mail,
121 return receipt requested; (ii) not deposit the contribution until the
122 treasurer obtains the certification from the contributor,
123 notwithstanding the provisions of section 9-606; and (iii) return the
124 contribution to the contributor if the contributor does not provide the
125 certification [not later than] within fourteen days after the treasurer's
126 written request or at the end of the reporting period in which the
127 contribution was received, whichever is later. No treasurer shall be
128 required to obtain and keep more than one certification from each
129 contributor, unless information certified to by the contributor, other
130 than the amount contributed, changes. If a treasurer deposits a
131 contribution based on a certification that is later determined to be false,
132 the treasurer shall have a complete defense to any action, including,
133 but not limited to, any complaint investigated by the State Elections
134 Enforcement Commission, or any other investigation initiated by said
135 commission, against such treasurer for the receipt of such contribution.

136 [(4) Contributions from a single individual to a treasurer in the
137 aggregate totaling fifty dollars or less need not be individually
138 identified in the statement, but a sum representing the total amount of
139 all such contributions made by all such individuals during the period
140 to be covered by such statement shall be a separate entry, identified
141 only by the words "total contributions from small contributors".]

142 [(5)] (4) Each statement filed by the treasurer of a party committee, a
143 legislative caucus committee or a legislative leadership committee shall
144 include an itemized accounting of each organization expenditure made
145 by the committee. Concomitant with the filing of any such statement
146 containing an accounting of an organization expenditure made by the
147 committee for the benefit of any candidate for the office of [state
148 senator, state representative,] Governor, Lieutenant Governor,
149 Secretary of the State, State Treasurer, State Comptroller, Attorney
150 General, [Secretary of the State, State Comptroller or State Treasurer]
151 state senator or state representative, such treasurer of any such

152 committee shall provide notice of the organization expenditure to the
153 candidate committee of such candidate.

154 ~~[(6)]~~ (5) The commission shall post a link on the home page of the
155 commission's Internet web site to a listing of all organizational
156 expenditures reported by a party, legislative leadership or caucus
157 committee under subdivision ~~[(5)]~~ (4) of this subsection. Such
158 information shall include reported information on the committee
159 making the expenditure, the committee receiving the expenditure and
160 the date and purpose for the expenditure.

161 ~~[(7)]~~ (6) Statements filed in accordance with this section shall remain
162 public records of the state for five years from the date such statements
163 are filed.

164 Sec. 2. Subsection (b) of section 9-601a of the general statutes is
165 repealed and the following is substituted in lieu thereof (*Effective*
166 *January 1, 2019, and applicable to primaries and elections held after said*
167 *date*):

168 (b) As used in this chapter and chapter 157, "contribution" does not
169 mean:

170 (1) A loan of money made in the ordinary course of business by a
171 national or state bank;

172 (2) Any communication made by a corporation, organization or
173 association solely to its members, owners, stockholders, executive or
174 administrative personnel, or their families;

175 (3) Nonpartisan voter registration and get-out-the-vote campaigns
176 by any corporation, organization or association aimed at its members,
177 owners, stockholders, executive or administrative personnel, or their
178 families;

179 (4) Uncompensated services provided by individuals volunteering
180 their time on behalf of a party committee, political committee, slate
181 committee or candidate committee, including any services provided

182 for the benefit of nonparticipating and participating candidates under
183 the Citizens' Election Program and any unreimbursed travel expenses
184 made by an individual who volunteers the individual's personal
185 services to any such committee. For purposes of this subdivision, an
186 individual is a volunteer if such individual is not receiving
187 compensation for such services regardless of whether such individual
188 received compensation in the past or may receive compensation for
189 similar services that may be performed in the future;

190 (5) The use of real or personal property, a portion or all of the cost of
191 invitations and the cost of food or beverages, voluntarily provided by
192 an individual to a candidate, including a nonparticipating or
193 participating candidate under the Citizens' Election Program, or to a
194 party, political or slate committee, in rendering voluntary personal
195 services at the individual's residential premises or a community room
196 in the individual's residence facility, to the extent that the cumulative
197 value of the invitations, food or beverages provided by an individual
198 on behalf of any candidate or committee does not exceed four hundred
199 dollars with respect to any single event or does not exceed eight
200 hundred dollars for any such event hosted by two or more individuals,
201 provided at least one such individual owns or resides at the residential
202 premises, and further provided the cumulative value of the invitations,
203 food or beverages provided by an individual on behalf of any such
204 candidate or committee does not exceed eight hundred dollars with
205 respect to a calendar year or single election, as the case may be;

206 (6) The sale of food or beverage for use by a party, political, slate or
207 candidate committee, including those for a participating or
208 nonparticipating candidate, at a discount, if the charge is not less than
209 the cost to the vendor, to the extent that the cumulative value of the
210 discount given to or on behalf of any single candidate committee does
211 not exceed four hundred dollars with respect to any single primary or
212 election, or to or on behalf of any party, political or slate committee,
213 does not exceed six hundred dollars in a calendar year;

214 (7) The display of a lawn sign by a human being or on real property;

215 (8) The payment, by a party committee or slate committee of the
216 costs of preparation, display, mailing or other distribution incurred by
217 the committee or individual with respect to any printed slate card,
218 sample ballot or other printed list containing the names of three or
219 more candidates;

220 (9) The donation of any item of personal property by an individual
221 to a committee for a fund-raising affair, including a tag sale or auction,
222 or the purchase by an individual of any such item at such an affair, to
223 the extent that the cumulative value donated or purchased does not
224 exceed one hundred dollars;

225 (10) (A) The purchase of advertising space which clearly identifies
226 the purchaser, in a program for a fund-raising affair sponsored by the
227 candidate committee of a candidate for an office of a municipality,
228 provided the cumulative purchase of such space does not exceed two
229 hundred fifty dollars from any single such candidate or the candidate's
230 committee with respect to any single election campaign if the
231 purchaser is a business entity or fifty dollars for purchases by any
232 other person;

233 (B) The purchase of advertising space which clearly identifies the
234 purchaser, in a program for a fund-raising affair or on signs at a fund-
235 raising affair sponsored by a party committee or a political committee,
236 other than an exploratory committee, provided the cumulative
237 purchase of such space does not exceed two hundred fifty dollars from
238 any single party committee or a political committee, other than an
239 exploratory committee, in any calendar year if the purchaser is a
240 business entity or fifty dollars for purchases by any other person.
241 Notwithstanding the provisions of this subparagraph, the following
242 may not purchase advertising space in a program for a fund-raising
243 affair or on signs at a fund-raising affair sponsored by a party
244 committee or a political committee, other than an exploratory
245 committee: (i) A communicator lobbyist, (ii) a member of the
246 immediate family of a communicator lobbyist, (iii) a state contractor,
247 (iv) a prospective state contractor, or (v) a principal of a state

248 contractor or prospective state contractor. As used in this
249 subparagraph, "state contractor", "prospective state contractor" and
250 "principal of a state contractor or prospective state contractor" have the
251 same meanings as provided in subsection (f) of section 9-612;

252 (11) The payment of money by a candidate to the candidate's
253 candidate committee, provided the committee is for a nonparticipating
254 candidate;

255 (12) The donation of goods or services by a business entity to a
256 committee for a fund-raising affair, including a tag sale or auction, to
257 the extent that the cumulative value donated does not exceed two
258 hundred dollars;

259 (13) The advance of a security deposit by an individual to a
260 telephone company, as defined in section 16-1, for telecommunications
261 service for a committee or to another utility company, such as an
262 electric distribution company, provided the security deposit is
263 refunded to the individual;

264 (14) The provision of facilities, equipment, technical and managerial
265 support, and broadcast time by a community antenna television
266 company, as defined in section 16-1, for community access
267 programming pursuant to section 16-331a, unless (A) the major
268 purpose of providing such facilities, equipment, support and time is to
269 influence the nomination or election of a candidate, or (B) such
270 facilities, equipment, support and time are provided on behalf of a
271 political party;

272 (15) The sale of food, [or] beverage or parking by a town committee
273 to an individual at a town fair, county fair, local festival or similar
274 mass gathering held within the state, to the extent that the cumulative
275 payment made by any one individual for such [items] food, beverage
276 or parking does not exceed fifty dollars;

277 (16) An organization expenditure by a party committee, legislative
278 caucus committee or legislative leadership committee;

279 (17) The donation of food or beverage by an individual for
280 consumption at a slate, candidate, political committee or party
281 committee meeting, event or activity that is not a fund-raising affair to
282 the extent that the cumulative value of the food or beverages donated
283 by an individual for a single meeting or event does not exceed fifty
284 dollars;

285 (18) The value associated with the de minimis activity on behalf of a
286 party committee, political committee, slate committee or candidate
287 committee, including for activities including, but not limited to, (A) the
288 creation of electronic or written communications or digital photos or
289 video as part of an electronic file created on a voluntary basis without
290 compensation, including, but not limited to, the creation and ongoing
291 content development and delivery of social media on the Internet or
292 telephone, including, but not limited to, the sending or receiving of
293 electronic mail or messages, (B) the posting or display of a candidate's
294 name or group of candidates' names at a town fair, county fair, local
295 festival or similar mass gathering by a party committee, (C) the use of
296 personal property or a service that is customarily attendant to the
297 occupancy of a residential dwelling, or the donation of an item or
298 items of personal property that are customarily used for campaign
299 purposes, by an individual, to a candidate committee, provided the
300 cumulative fair market value of such use of personal property or
301 service or items of personal property does not exceed one hundred
302 dollars in the aggregate for any single election or calendar year, as the
303 case may be;

304 (19) The use of offices, telephones, computers and similar
305 equipment provided by a party committee, legislative caucus
306 committee or legislative leadership committee that serve as
307 headquarters for or are used by such party committee, legislative
308 caucus committee or legislative leadership committee;

309 (20) A communication, as described in subdivision (7) of subsection
310 (b) of section 9-601b;

311 (21) An independent expenditure, as defined in section 9-601c;

312 (22) A communication containing an endorsement on behalf of a
 313 candidate for nomination or election to the office of Governor,
 314 Lieutenant Governor, Secretary of the State, State Treasurer, State
 315 Comptroller, Attorney General, state senator or state representative,
 316 from a candidate for the office of Governor, Lieutenant Governor,
 317 Secretary of the State, State Treasurer, State Comptroller, Attorney
 318 General, state senator or state representative, provided the candidate
 319 (A) making the endorsement is unopposed at the time of the
 320 communication, and (B) being endorsed paid for such communication;

321 (23) A communication that is sent by mail to addresses in the district
 322 for which a candidate being endorsed by another candidate pursuant
 323 to this subdivision is seeking nomination or election to the office of
 324 state senator or state representative, containing an endorsement on
 325 behalf of such candidate for such nomination or election from a
 326 candidate for the office of state senator or state representative,
 327 provided the candidate (A) making the endorsement is not seeking
 328 election to the office of state senator or state representative for a
 329 district that contains any geographical area shared by the district for
 330 the office to which the endorsed candidate is seeking nomination or
 331 election, and (B) being endorsed paid for such communication; or

332 (24) Campaign training events provided to multiple individuals by
 333 a legislative caucus committee and any associated materials, provided
 334 the cumulative value of such events and materials does not exceed six
 335 thousand dollars in the aggregate for a calendar year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2019, and applicable to primaries and elections held after said date</i>	9-608(c)
Sec. 2	<i>January 1, 2019, and applicable to primaries and elections held after said date</i>	9-601a(b)

Statement of Legislative Commissioners:

In Section 1(c)(3), "that separately, or in the aggregate, exceeds fifty dollars" was bracketed for accuracy.

GAE *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill requires certain candidate and exploratory committees to disclose and itemize all contributions, regardless of amount, and also expands contribution exemptions to include certain parking sales. No fiscal impact is anticipated to the state or municipalities, as the provisions of the bill affect committee treasurers.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 499*****AN ACT CONCERNING CONTRIBUTIONS UNDER CAMPAIGN FINANCE LAWS.*****SUMMARY**

Existing law places limits on most political contributions and requires campaign treasurers to disclose them in the campaign finance statements they submit to the State Elections Enforcement Commission (SEEC) or town clerk, as applicable. It also contains contribution exemptions for certain items and services.

This bill (1) generally subjects contributions of \$50 or less from individuals to the same disclosure requirements that apply under existing law to larger contributions from individuals and (2) expands a contribution exemption to include the sale of parking, up to a cumulative total of \$50, sold by a town committee to an individual at a town or county fair, local festival, or similar mass gathering. Existing law already exempts the sale of food or beverages, up to \$50, sold by a town committee to an individual at these gatherings.

The bill also makes technical changes.

EFFECTIVE DATE: January 1, 2019, and applicable to primaries and elections held after that date.

SMALL CONTRIBUTIONS

Under current law, contributions from individuals to state central and town committees, political committees (known as PACs), or candidates not participating in the Citizens' Election Program (CEP), need only be disclosed when they separately or in the aggregate exceed \$50. (Contributions of any amount to participating CEP candidates must be individually disclosed.) Treasurers report the sum

total from small contributors in the campaign statements that they submit to SEEC or the town clerk, depending on the election, office sought, or committee type (e.g., for candidates voted on at a state election, treasurers submit statements to SEEC; for those voted on at a municipal election, they submit statements to the town clerk).

The bill instead requires that all such small contributions be individually disclosed. Under the bill, individuals making these contributions must (1) provide their employer's name, if any; (2) certify that they are not prohibited from making the contribution; and (3) indicate whether they are a lobbyist or state contractor. (The law places restrictions and prohibitions on their contributions.) Campaign treasurers must identify the small contributions individually in their campaign finance statements. By law, these statements are public records and subject to disclosure under the state Freedom of Information Act.

BACKGROUND

Related Bill

SB 500, reported favorably by the Government Administration and Elections (GAE) Committee, establishes a contribution exemption for certain campaign communications by candidates for legislative office.

sHB 5522, reported favorably by the GAE Committee, modifies the definitions of "contribution" and "expenditure," as well as the exemptions for certain communications.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 14 Nay 3 (03/23/2018)